REMARKS

In the Office Action mailed August 8, 2008, the Examiner rejects claims 1 through 14 under 35 U.S.C § 101 as being directed to non-statutory subject matter. Claims 1 through 14 stand rejected under 35 U.S.C § 103 as being unpatentable over US Patent Publication Number 2003/0105677 to Skinner, et al. ('Skinner") in view of the publication entitled "Experimental Markets for Product Concepts" by Chan, et al, Massachusetts Institute of Technology – Artificial Intelligence Laboratory, Paper 149, July 2001 ("Chan").

Applicants representatives would like to thank Examiners Kardos and Boswell, for providing Applicants' representatives the courtesy of a telephone interview on Wednesday, October 28, 2008. During the interview, Applicants' representatives discussed differences between the pending claims and the prior art, as well as changes to the claims suggested by the Examiner.

Claims 1 through 14 are currently pending in the present application, with claims 1 and 13 being independent claims. By way of the present Response and in accordance with the Examiner's suggestions, Applicants hereby amend claims 1, 2, 3, 9, 10, 11 and 13 and cancel claim 8. No new matter has been added and the amendments are supported by the specification as originally filed. For at least the reasons set forth below, Applicants respectfully submit that all pending claims are allowable and respectfully request withdrawal of the rejection of claims 1 through 7 and 9 through 14.

Rejection under 35 U.S.C. § 101

As a preliminary matter, Applicants note the present rejection of claims 1-14 under 35 U.S.C. §101 was made prior to the Court of Appeals for the Federal Circuit's ruling in *In re Bilski*. Applicants submit the following response(s) where still applicable.

Claims 1 through 14 stand rejected under 35 U.S.C § 101 as being directed to non-statutory subject matter. Specially, the Examiner first asserts that independent claims 1 and 13 are directed toward a statutory category of process, which requires that it (i) be tied to another statutory class or (ii) transform underlying subject matter to a different state or thing. The Examiner next asserts that independent claims 1 and 13 contain abstract ideas, and therefore falls within a 35 USC 101 judicial exception, which requires that the claims have a practical application, i.e. that it produces (i) a physical transformation or (ii) a useful, concrete and tangible final result. The Examiner further asserts that independent claims 1 and 13 preempt an abstract idea, which is not patentable subject matter under 35 U.S.C. § 101.

With respect to the Examiner's rejection of claims 1 through 14 under 35 U.S.C. § 101 as failing to satisfy the statutory requirements of (i) being tied to another statutory class or (ii) transforming underlying subject matter to a different state or thing, Applicants note that the independent claims 1 and 13 are directed to a method for valuing a concept in "a computerized system." Applicants, therefore, respectfully assert that claims 1 through 14 indeed satisfy such requirements as the aforementioned claims are tied to another statutory class of invention, such as a particular apparatus, namely a computerized system. A computerized system is clearly an apparatus in the sense of the proposed statutory requirement of another class of invention, because, as is known in the art, a computerized system comprises hardware components, and thus comprises portions of an apparatus.

Applicants note that the Examiner, nonetheless, rejects claims 1 through 14, under 35 U.S.C. § 101, asserting that the recitation of "a computerized system" within independent claims 1 and 13 is nominal, in part, because, the computerized system is recited in the preamble. Applicants respectfully disagree with the Examiner's contention that the recitation of a method

for valuing a concept in a computerized system in the preamble is nominal and fails to satisfy the statutory requirement of being tied to another statutory class, such as an apparatus. Applicants respectfully note that it is recognized that the claims and specification are examined under the standard of 35 U.S.C. §112, ¶1 and based on the knowledge of one skilled in the art under this standard, it is understood that process/method steps in the computerized system does not exist in a vacuum, but rather is embodied in a physical computerized system. Accordingly, claims 1 through 14 recite method/process steps that are tied to one of the other statutory classes (machine) and the rejection is thus improper. However, in an effort to advance prosecution of this matter, Applicants have amended independent claims 1 and 13 to recite that the method steps of "operating on the data to produce a quantitative statistic . . . ," "determining a value of the concept based at least in part on the produced statistic . . ." and "determining the value of one or more instruments based at least in part on the value of the concept" are performed "electronically." In view thereof, withdrawal of the rejection of claims 1 through 14 under 35 U.S.C. 101 is respectfully requested.

With respect to Examiner's rejection of claims 1 through 14 under 35 U.S.C. § 101 on the basis that claims 1 through 14 contain abstract ideas and therefore (i) falls within a 35 USC 101 judicial exception, requiring a practical application, and (ii) is not patentable subject matter. Applicants respectfully disagree and traverse the Examiner's rejection of claims 1 through 14 under 35 U.S.C. § 101 as containing abstract ideas. Claims 1 through 14 are directed to a method for valuing a concept, in which independent claims 1 and 13, as currently amended, recite that that a "concept comprises a set of one or more terms that relate to a common theme." A method for valuing of a concept, or a set of one or more terms that relate to a common theme is not an abstract idea, but is rather a valuation method that falls within one of the four categories

of inventions that Congress deemed to be the appropriate subject matter of a patent, namely a process, and therefore would not be considered a judicial exception to 35 U.S.C. § 101, requiring a practical application. However, Applicants note that the claimed method does have a practical application, as it produces a useful, concrete and tangible final result, namely, "electronically determining the value of one or more instruments based at least in part on the value of the concept." Accordingly, Applicants assert that claims 1 through 14 do not contain an abstract idea and therefore, withdrawal of the rejection of claims 1 through 14 under 35 U.S.C. 101 is respectfully requested.

Rejection under 35 U.S.C. § 103

Claims 1 through 14 are rejected under 35 U.S.C § 103 as being unpatentable over Skinner in view of Chan. Independent claim 1 is directed towards a method for valuing a concept in a computerized system for allowing transactions in instruments, the instruments being capable of being valued based on values of term-based concepts, and terms of the concepts being useable in computerized searches. The method comprises obtaining quantitative data associated with the concept, wherein the concept comprises a set of one or more terms that relate to a common theme. The data is electronically operated on to produce a quantitative statistic by using at least one of a total revenue per period calculation, a median revenue per period calculation, an average revenue per period calculation, an average of median bidded price calculation, and a median of median clicked price calculation, and a median click calculation. A value of the concept is electronically determined based at least in part on the produced statistic such that the value is used in the computerized system allowing transactions in the instruments

and the value of one or more instruments is electronically determined based at least in part on the value of the concept.

Independent claim 13 is also directed towards a method for valuing a concept in a computerized system for allowing transactions in instruments, the instruments being capable of being valued based on values of term-based concepts, and terms of the concepts being useable in computerized searches. The method comprises obtaining quantitative data associated with demand for the concept, wherein the concept comprises a set of one or more terms that relate to a common theme. The data is electronically operated on to produce a quantitative statistic by using at least one of a total revenue per period calculation, a median revenue per period calculation, an average revenue per period calculation, an average of median bidded price calculation, and a median of median clicked price calculation, and a median click calculation. A value of the concept is electronically determined based at least in part on the produced statistic, comprising taking at least one measure to prevent intentional manipulation of the value of the concept such that the value is used in the computerized system allowing transactions in the instruments. The value of one or more instruments is electronically determined based at least in part on the value of the concept.

Skinner discusses an automated web ranking system that enables advertisers to dynamically adjust pay-per-click bids to control advertising costs by tracking individual search terms that are used to market an advertiser's product or services in online marketing media ("OMM"), such as search engines, portals, banner advertisements, affiliate programs. (Skinner, Abstract and ¶ 12). Skinner fails to disclose all of the claimed elements of independent claims 1 and 13, as currently amended. Specifically, Skinner fails to teach or suggest "obtaining quantitative data associated with the concept, wherein the concept comprises a set of one or more

terms that relate to a common theme" and "electronically operating on the data to produce a quantitative statistic by using at least one of a total revenue per period calculation, a median revenue per period calculation, an average revenue per period calculation, an average of median bidded price calculation, and a median of median clicked price calculation, and a median click calculation." Moreover, Skinner is silent regarding the claimed concept including "a set of search terms relating to a common theme."

In support of the rejection of the method step of "obtaining quantitative data associated with the concept, wherein the concept comprises a set of one or more terms that relate to a common theme" recited in independent claims 1 and 13, the Examiner relies upon Skinner's discussion of determining a "search term's effectiveness by collecting and analyzing data relating to the number of impressions, the number of clicks and the number of resulting sales generated by a search term at a given time period." (Skinner, Para. 12, lines 5-9; see also, Para. 38). However, collecting and analyzing data relating to the number of impressions, the number of clicks, and the number of resulting sales generated by a search term is not the same as quantitative data associated with the concept as presently claimed.

Independent claims 1 and 13, as currently amended, recite that a "concept comprises a set of one or more terms that relate to a common theme." Skinner fails to teach or suggest a set of one or more search terms that relate to a common theme, but instead teaches a system that allows an advertiser to calculate a bid for a single search term to secure a certain positioning and to then adjust the bid based on a competitor's activity. However, using such a system for a single search term is not the equivalent of using such a system for a concept that comprises multiple search terms that relate to a common theme. Skinner simply fails to teach or suggest a "concept" that comprises a set of one or more search terms that relate to a common

theme. A single term does not teach or suggest the common theme because, among other reasons, the generation of a common theme requires an additional level of processing to determine theme-based grouping of search terms. Under Skinner's single-term system, there is no grouping and there is no need for any type of multi-term grouping.

Similarly, Skinner fails to teach or suggest "electronically operating on the data to produce a quantitative statistic by using at least one of a total revenue per period calculation, a median revenue per period calculation, an average revenue per period calculation, an average of median bidded price calculation, and a median of median clicked price calculation, and a median click calculation." As Skinner fails to teach or suggest a concept comprising a set of one or more search terms that relate to a common theme, so too does Skinner fail to teach or suggest operating on data associated with a concept using such calculations as total revenue per period calculation, a median revenue per period calculation, an average revenue per period calculation, an average of median bidded price calculation, and a median of median clicked price calculation, and a median click calculation.

Applicants have conducted a thorough review of Skinner and respectfully assert that Skinner, considered alone or in combination with the prior art of record, does not teach or suggest at least "obtaining quantitative data associated with the concept, wherein the concept comprises a set of one or more terms that relate to a common theme" and "electronically operating on the data to produce a quantitative statistic by using at least one of a total revenue per period calculation, a median revenue per period calculation, an average revenue per period calculation, an average of median bidded price calculation, and a median of median clicked price calculation, and a median click calculation." Accordingly, Applicants respectfully request withdrawal of the rejection of independent claims 1 and 13 and allowance of the same.

The dependent claims of the present application contain additional features that further substantially distinguish the invention of the present application over Skinner and the prior art of record. Given the Applicants' position on the patentability of the independent claims, however, it is not deemed necessary at this point to delineate such distinctions.

For at least all of the above reasons, Applicants respectfully request that the Examiner withdraw all rejections, and allowance of all the pending claims is respectfully solicited. To expedite prosecution of this application to allowance, the Examiner is invited to call the Applicants' undersigned representative to discuss any issues relating to this application.

Respectfully submitted,

Dated: November 10, 2008

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